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FISCAL IMPACT REPORT

ORIGINAL DATE 1/29/08

SPONSOR Picraux LAST UPDATED _____ HB 338

SHORT TITLE UNM Nursing Programs SB _____

ANALYST Haug

APPROPRIATION (dollars in thousands)

Appropriation		Recurring or Non-Rec	Fund Affected
FY08	FY09		
	\$1,737.0	Recurring	General Fund

(Parenthesis () Indicate Expenditure Decreases)

Relates to HB185, HB97, HB66, HB253, SB14, SB77, and SB104

SOURCES OF INFORMATION

LFC Files

Responses Received From

Higher Education Department (HED)
 Department of Health (DOH)
 New Mexico Health Policy Commission (HPC)

SUMMARY

Synopsis of Bill

House Bill 338 appropriates \$1,737.0 from the general fund to the Board of Regents of the University of New Mexico to fund the expansion of nursing programs at the University of New Mexico's College of Nursing. The appropriation is for expenditure in Fiscal Year 2009 and subsequent fiscal years.

FISCAL IMPLICATIONS

The appropriation of \$1,737.0 contained in this bill is a recurring expense to the general fund. Any unexpended or unencumbered balance remaining at the end of any fiscal year shall not revert to the general fund.

The HED states that a request was submitted by UNM in the amount of \$3,727,600 an increase of \$2,236,900 to the New Mexico Higher Education Department for review. The Department's funding recommendation for FY09 is a continuance of FY08 recurring funding in the amount of

\$1,490,700 with no additional funding at this time.

The HED's evaluation table of FY09 Research and Public Service Projects provided to the LFC classifies this project as a "breach" of the Higher Education Formula. Reasons for this classification decision are not provided. (LFC Report 07-20, Higher Education Department Review of Selected Research and Public Service Projects, January 12, 2008, Table 4, p75.)

UNM states that the College of Nursing is requesting \$2.240.0 recurring support in the 2008 session. The College of Nursing is hopeful it will receive \$500.0 from HED, via the Nursing Shortage RFP process, thereby reducing this request to \$1.74 million.

The related House Bill 185 would appropriate \$2,237.0, effectively the entire amount of the College of Nursing's initial request. In addition, the appropriation in House Bill 185 would revert to the general fund at the end of Fiscal Year 2009 while the appropriation in House Bill 338 would not revert.

SIGNIFICANT ISSUES

UNM states that the House Bill 338 appropriation supports three components of the College of Nursing:

- Albuquerque BSN program (24 students) = \$693,000;
- BSN sites at branch campuses in Taos (8 students) = \$491,000 and Valencia (8 students) = \$478,000; and
- RN/BSN on-the-ground satellite sites in Hobbs, Gallup, Farmington, Rio Rancho, Santa Fe, Albuquerque-UNMH (74 total students in Fall 2007) = \$575,000.

According to UNM:

- 85-90% of UNM BSN graduates stay in New Mexico to work.
- Approximately 92% of College Of Nursing BSN graduates pass state board exams on the first attempt and almost 98% on the second attempt.
- At least 95% of BSN students accepted into the College Of Nursing program graduate.
- 33% of the Fall 07 College of Nursing BSN students are NM high school grads from outside of Bernalillo County.
- Of the total Fall 07 enrollment in the RN/BSN program, over 43% (74) of the students were in the College Of Nursing's satellite sites. These 74 students are receiving their nursing education at the following sites: Farmington-6, Gallup-5, Hobbs-8, Rio Rancho-7, Santa Fe-9, UNMH-39.

The DOH states:

- HB 338 is based on the recommendations of 2 reports: 1) response to SJM 37 of the 2005 Legislature, which requested a study of the impact of nurse staffing and retention issues on workforce development; and 2) response to HM 17 of the 2007 Legislature, which requested recommendations to increase nurse recruitment and retention in NM hospitals. Importantly, the Health Resources and Services Administration (HRSA) predict New Mexico will not be able to fill 57% of its nursing requirements by 2020.
- New Mexico is experiencing a more severe nursing shortage than the United States. The severity of the shortage has led to relatively high nursing wages and increased interest in nursing. The number of RN graduates has increased each year, since 2002, and should be sufficient to replace impending retirements. However, there is a bottleneck in the nursing education system and qualified applicants are being turned away. There is a 2 to 3 year waiting list for entry into nursing

RELATIONSHIP

The HPC notes that House Bill 338 is related to HB97 NMSU-Grants Nursing Clinical Lab, HB66 NMSU Carlsbad Nursing Program, SB14 Health Professional Recruitment & Retention, SB77 WNMU Nursing Program, SB104 NMSU Nursing Education Program, HB185 Expand UNM Nursing Program and HB253 Santa Fe Community College Nursing Program.

GH/mt